

**NOTICE OF INTENT TO ACT UPON REGULATION
AND
HEARING AGENDA**

Notice of Hearing for the Adoption, Amendment or Repeal of Regulations of
The Department of Business and Industry, Division of Insurance

The State of Nevada, Department of Business and Industry, Division of Insurance ("Division"), (775) 687-0700, will hold a public hearing at **9:30 a.m. on April 26, 2016**, at the Division's office located at 1818 East College Parkway, Suite 103, Carson City, Nevada 89706. Interested persons may also participate through a simultaneous videoconference conducted at the Bradley Building, 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104. The purpose of the hearing is to receive comments from all interested persons regarding the adoption, amendment or repeal of the regulation(s) that pertain(s) to **chapter 691C** of the Nevada Administrative Code ("NAC").

The following information is provided pursuant to the requirements of Nevada Revised Statute ("NRS") 233B.0603 and the directives of the Governor:

LCB File No. R005-16. Credit Property Experience Report.

A regulation relating to insurance; repealing a provision relating to policies of credit personal property insurance; and providing other matters properly relating thereto.

- (1) Why is the regulation necessary and what is its purpose? *The purpose of this regulation is to repeal a redundant report requirement.*
- (2) What are the terms or substance of the proposed regulation? *This regulation repeals NAC 691C.190, which requires credit personal property insurers to report experience data annually to the Commissioner. There is too little credit personal property insurance written in Nevada to glean meaningful data from this report. It is also redundant as NRS 691C.370 already requires credit property insurers to submit data with their annual statement.*
- (3) What is the anticipated impact of the regulation on the problem(s)? *Insurers will no longer have to submit a redundant and minimally useful report.*
- (4) Do other regulations address the same problem(s)? *No.*
- (5) Are alternate forms of regulation sufficient to address the problem(s)? *No.*
- (6) What value does the regulation have to the public? *The regulation will have no effect on the public.*

(7) What is the anticipated economic benefit of the regulation?

- a. Public
 - 1. Immediate: *None*
 - 2. Long Term: *None*
- b. Insurance Business
 - 1. Immediate: *There is a small economic benefit to not preparing the report.*
 - 2. Long Term: *There is a small economic benefit to not preparing the report.*
- c. Small Businesses
 - 1. Immediate: *None*
 - 2. Long Term: *None*
- d. Small Communities
 - 1. Immediate: *None*
 - 2. Long Term: *None*
- e. Government Entities
 - 1. Immediate: *There is a reduction in staff time required to collect the reports.*
 - 2. Long Term: *There is a reduction in staff time required to collect the reports.*

(8) What is the anticipated adverse impact, if any?

- a. Public
 - 1. Immediate: *None*
 - 2. Long Term: *None*
- b. Insurance Business
 - 1. Immediate: *None*
 - 2. Long Term: *None*
- c. Small Businesses
 - 1. Immediate: *None*
 - 2. Long Term: *None*
- d. Small Communities
 - 1. Immediate: *None*
 - 2. Long Term: *None*
- e. Government Entities
 - 1. Immediate: *None*
 - 2. Long Term: *None*

(9) What is the anticipated cost of the regulation, both direct and indirect?

- a. Enactment: *None*
- b. Enforcement: *None*
- c. Compliance: *None*

(10) Does the regulation establish a new fee or increase an existing fee? *There are no new fees or increases to existing fees.*

(11) Provide a statement which identifies the methods used by the agency in determining the impact of the proposed regulation on a small business, prepared pursuant to subsection 3 of NRS 233B.0608. *This proposed regulation removes an existing requirement. It does not impose any additional requirements.*

(12) Provide a description of any regulations of other state or local governmental agencies which the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, state the name of the regulating federal agency. *None.*

(13) If the regulation is required pursuant to federal law, provide a citation and description of the federal law. *N/A*

(14) If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, provide a summary of such provisions. *N/A*

Persons wishing to comment upon the proposed action of the Division may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form, to the Division, 1818 East College Parkway, Suite 103, Carson City, Nevada 89706. **Written submissions must be received by the Division on or before April 19, 2016.** If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

A copy of this notice and the regulation will be on file at the State Library, 100 North Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation will be available at the offices of the Division, 1818 East College Parkway, Suite 103, Carson City, Nevada 89706, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at **<http://leg.state.nv.us/register/>**. Copies of this notice and the proposed regulation will be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

Notice of the hearing was provided via electronic means to all persons on the agency's e-mail list for administrative regulations, and this Notice of Intent to Act Upon Regulation was posted to the agency's Internet Web site at <http://doi.nv.gov/> and was provided to or posted at the following locations:

Department of Business and Industry
Division of Insurance
1818 East College Parkway, Suite 103
Carson City, Nevada 89706

Department of Business and Industry
Division of Insurance
2501 East Sahara Avenue, Suite 302
Las Vegas, Nevada 89104

Legislative Building
401 South Carson Street
Carson City, Nevada 89701

Grant Sawyer Building
555 East Washington Avenue
Las Vegas, Nevada 89101

Blasdel Building
209 East Musser Street
Carson City, Nevada 89701

Capitol Building Main Floor
101 North Carson Street
Carson City, Nevada 89701

Nevada Department of Employment,
Training and Rehabilitation
2800 E. Saint Louis Ave.
Las Vegas, NV 89104

Nevada State Library & Archives
100 North Stewart Street
Carson City, Nevada 89701

Carson City Library
900 North Roop Street
Carson City, Nevada 89701

Churchill County Library
553 South Main Street
Fallon, Nevada 89406

Douglas County Library
P.O. Box 337
Minden, Nevada 89423

Elko County Library
720 Court Street
Elko, Nevada 89801

Esmeralda County Library
P.O. Box 430
Goldfield, Nevada 89013

Eureka Branch Library
P.O. Box 293
Eureka, Nevada 89316

Humboldt County Library
85 East 5th Street
Winnemucca, Nevada 89445

Lander County Library
P.O. Box 141
Battle Mountain, Nevada 89820

Las Vegas-Clark County Library District
7060 W. Windmill Lane
Las Vegas, NV 89113

Lincoln County Library
P.O. Box 330
Pioche, Nevada 89043-0330

Lyon County Library
20 Nevin Way
Yerington, Nevada 89447

Mineral County Public Library
P.O. Box 1390
Hawthorne, Nevada 89415

Pershing County Library
P.O. Box 781
Lovelock, Nevada 89419

Storey County Clerk
P.O. Drawer D
Virginia City, Nevada 89440

Tonopah Public Library
P.O. Box 449
Tonopah, Nevada 89049

Washoe County/Downtown Reno Library
P.O. Box 2151
Reno, Nevada 89505-2151

White Pine County Library
950 Campton Street
Ely, Nevada 89301

Members of the public who would like additional information about the proposed regulation may contact Erin Summers, Actuarial Analyst, at (775) 687-0765, or via e-mail to esummers@doi.nv.gov.

Members of the public who are disabled and require special accommodations or assistance at the hearing are requested to notify the Commissioner's secretary in writing at 1818 East College Parkway, Suite 103, Carson City, Nevada 89706, or by calling (775) 687-0771, no later than five (5) working days before the meeting.

DATED this 23rd day of March, 2016.


BARBARA D. RICHARDSON
Commissioner of Insurance

HEARING AGENDA

The State of Nevada, Department of Business and Industry, Division of Insurance

April 26, 2016 • 9:30 a.m.

Location of Hearing:

Office of the Division of Insurance
1818 E. College Pkwy., 1st Floor Hearing Room
Carson City, NV 89706
(Division Offices located in Suite 103)

Available via Videoconference at:

Office of the Division of Insurance
2501 E. Sahara Ave., 3rd Floor Conference Room
Las Vegas, NV 89104
(Division Offices located in Suite 302)

1. **Call to Order: R005-16.**
2. **Presentation, Discussion and Adoption of Proposed Regulation. (For Possible Action)**
LCB File No. R005-16. Credit Property Experience Report.
A regulation relating to insurance; repealing a provision relating to policies of credit personal property insurance; and providing other matters properly relating thereto.
3. **Public Comment.**
4. **Adjournment: R005-16.**

5. **Call to Order: R007-16.**
6. **Presentation, Discussion and Adoption of Proposed Regulation. (For Possible Action)**
LCB File No. R007-16. Service Contracts.
A regulation relating to insurance; defining the term “incidental payment of indemnity” for the purpose of interpreting provisions of the Nevada Insurance Code relating to service contracts; and providing other matters properly relating thereto.
7. **Public Comment.**
8. **Adjournment: R007-16.**

9. **Call to Order: R008-16.**
10. **Presentation, Discussion and Adoption of Proposed Regulation. (For Possible Action)**
LCB File No. R008-16. Evidence of Insurance.
A regulation relating to insurance; revising various provisions relating to evidence of insurance; and providing other matters properly relating thereto.
11. **Public Comment.**
12. **Adjournment: R008-16.**

13. **Call to Order: R006-16.**
14. **Presentation, Discussion and Adoption of Proposed Regulation. (For Possible Action)**
LCB File No. R006-16. Force-Placed Insurance.
A regulation relating to insurance; revising certain provisions relating to filings an insurer is required to submit to the Division of Insurance of the Department of Business and Industry; and providing other matters properly relating thereto.
15. **Public Comment.**
16. **Adjournment: R006-16.**

Supporting public material for this meeting may be requested from Erin Summers, Actuarial Analyst, Nevada Division of Insurance, 1818 E. College Parkway, Carson City, Nevada 89706, by e-mail to esummers@doi.nv.gov, or by calling (775) 687-0765. In your request, please state that you are requesting meeting materials and provide the date of the meeting.

Note: Any agenda item may be taken out-of-order; items may be combined for consideration by the public body; and items may be pulled or removed from the agenda at any time. The Hearing Officer, within his/her discretion, may allow for public comment on individual agenda items. Public Comment may be limited to three minutes per speaker.

Members of the public are encouraged to submit written comments for the record.

We are pleased to make reasonable accommodations for attendees with disabilities. Please notify the Commissioner's Assistant, at (775) 687-0771, no later than five (5) working days before the meeting.

NOTICES FOR THIS MEETING HAVE BEEN POSTED IN ACCORDANCE WITH NRS 241 AT THE FOLLOWING LOCATIONS:

Nevada Division of Insurance, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706

Nevada Division of Insurance, 2501 E. Sahara Avenue, Suite 302, Las Vegas, Nevada 89104

Nevada State Legislative Building, 401 S. Carson Street, Carson City, Nevada 89701

Grant Sawyer State Office Building, 555 E. Washington Avenue, Las Vegas, Nevada 89101

Blasdel State Office Building, 209 E. Musser Street, Carson City, Nevada 89701

Nevada State Capitol, 101 N. Carson Street, Carson City, Nevada 89701

Nevada Dept. of Employment, Training and Rehabilitation, 2800 E. Saint Louis Avenue, Las Vegas, Nevada 89104

The State of Nevada Website (www.nv.gov)

The Nevada State Legislature Website (www.leg.state.nv.us)

The Nevada Division of Insurance Website (www.doi.nv.gov)

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R005-16

February 16, 2016

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §1, NRS 679B.130, 691C.340 and 691C.430.

A REGULATION relating to insurance; repealing a provision relating to policies of credit personal property insurance; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This regulation repeals provisions which require an insurer that provides credit personal property insurance to report its experience data annually to the Commissioner of Insurance. (NAC 691C.190)

Section 1. NAC 691C.190 is hereby repealed.

TEXT AND LEADLINE OF REPEALED SECTION

691C.190 Annual reports of experience data; review of recommended premium rates by Commissioner. (NRS 679B.130, 691C.340, 691C.430) An insurer that provides credit personal property insurance, including, without limitation, guaranteed asset protection insurance, shall report its experience data annually to the Commissioner, on a form prescribed by the Commissioner. The initial such report must be submitted by the insurer on or before July 1, 2008. The Commissioner will use this data to determine annually whether the rates set forth in

NAC 691C.110 to 691C.170, inclusive, are reasonable in relation to the benefits provided. If the Commissioner determines that those rates are not reasonable in any given year, the Commissioner will adopt new rates.

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE

Determination of Necessity of Small Business Impact Statement

LCB File No. R005-16

This proposed regulation repeals NAC 691C.190, which requires credit personal property insurers to report experience data annually to the Commissioner.

EFFECTIVE DATE OF REGULATION:
Upon filing with the Nevada Secretary of State

1. BACKGROUND

NAC 691C.190 was adopted in 2007 to provide for the collection of credit personal property insurance data to assist the Commissioner in the establishment of reasonable rates as required by NRS 691C.340. Since that time, the volume of credit personal property insurance written in Nevada, other than Guaranteed Asset Protection (GAP) Insurance, has been negligible. With the recent passage of Assembly Bill 253, which allows lenders to sell guaranteed asset protection waivers, we expect the volume of GAP insurance to decline to the same level. As such it will not be possible to glean meaningful data from these reports. Therefore, repeal of NAC 691C.190 is appropriate.

2. DESCRIPTION OF SOLICITATION

N/A

3. DOES THE PROPOSED REGULATION IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN UPON A SMALL BUSINESS OR DIRECTLY RESTRICT THE FORMATION, OPERATION OR EXPANSION OF A SMALL BUSINESS? (NRS 233B.0608.1)

☒ NO (answer #4)

☐ YES (skip to #5)

4. HOW WAS THAT CONCLUSION REACHED? (NRS 233B.0608.3)

This proposed regulation removes an existing requirement. It does not impose any burden and, in fact, lessens them.

I, Barbara D. Richardson, Commissioner of Insurance for the State of Nevada, certify that, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses, and that the information contained in the statement above is accurate. (NRS 233B.0608.3)

3/15/16
(DATE)



BARBARA D. RICHARDSON
Commissioner of Insurance